



2003 CROP INSURANCE FACT SHEET

GRAIN SORGHUM

Iowa, Minnesota, and Wisconsin

THIS FACT SHEET POINTS OUT CERTAIN FEATURES OF CROP INSURANCE AND IS NOT INTENDED TO BE COMPREHENSIVE. THE INFORMATION BELOW NEITHER MODIFIES NOR REPLACES TERMS AND CONDITIONS OF THE BASIC PROVISIONS, CROP PROVISIONS, OR COUNTY ACTUARIAL DOCUMENTS. CONTACT A CROP INSURANCE AGENT FOR FURTHER DETAILS.

CROP INSURED

The crop insured will be all the grain sorghum you have in the county in which you have a share and planted for harvest as grain. Grain sorghum will be insurable when it is grown from hybrid seed and is not a dual-purpose type (grown for grain or forage). In counties where premium rates are not available, the crop may be insurable by written agreement. See your crop insurance agent for details on requesting a written agreement.

CAUSES OF LOSS

Adverse Weather Conditions (including hail, frost, freeze, drought, and excess precipitation)

Insects* Plant Disease* Wildlife Fire*** Failure of Irrigation Water Supply**

* But not damage due to insufficient or improper application of pest or disease control measures.

** If caused by an insured peril that occurs during the insurance period.

*** If unavoidable and due to natural causes.

IMPORTANT DATES

Sales Closing/Cancellation Date: **March 15**
Initial Planting Date: **April 16**
Final Planting Date: **May 25 - MN; June 10 - IA & WI**
Acreage Reporting Date: **June 30 - IA & MN; July 15 - WI**
Billing Date: **October 1**
Insurance Begins: **Planting**
Insurance Ends at harvest or: **December 10**
Production Reporting Date: **April 29**

DEFINITIONS

APH Yield Actual Production History yield used to determine the production guarantee. The APH Yield is based on up to 10 years of actual and/or assigned yields.

Unit The insurable acreage used to determine the APH Yield, the Production Guarantee and any indemnity (loss payment).

Production Guarantee Number of bushels guaranteed per unit. Multiply your APH yield per acre x the coverage level percentage you select x number of acres in the unit.

Price Election (APH plan) Price of compensation per bushel in case of loss:
• Established Price: **\$2.05/bu.**
• Additional Price: Published prior to sales closing

High Risk Land (HRL) Land designated on a map in the actuarial documents with a high risk rate classification, requiring a higher premium rate due to higher risk.

HRL Exclusion Option An agreement to exclude from crop insurance coverage ALL high-risk land by crop and county, as signed on our form by the sales closing date. Catastrophic coverage is still available when this Option is in effect.

Catastrophic Coverage (CAT) Additional Coverage	APH COVERAGE OPTIONS
	50% of your APH yield and 55% of the Additional Price. 50, 55, 60, 65, 70, or 75% of your APH yield and up to 100% of the Additional Price.

PLANS OF INSURANCE

- APH** Actual Production History - Production guarantee based on *individual* yield history. Optional and basic units are available.
- CRC** Crop Revenue Coverage - APH plus price protection with optional, basic and enterprise units.

- Optional Unit:** Generally, all the insured crop acreage in a section by share.
- Basic Unit:** Generally, all the insured crop acreage in a county by share. *
- Enterprise Unit:** Generally, all the insured crop acreage in a county. *

* Reduced premium

REPLANT PROVISION

(Not available under catastrophic coverage)

A replanting payment is allowed if your grain sorghum crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of your bushel guarantee and it is practical to replant. The maximum payment will be the lesser of 20% of the bushel guarantee or 7 bushels, times your price election. No **replanting** payment will be made on acreage initially planted prior to the **initial planting date**.

LATE AND PREVENTED PLANTING

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted. Please consult a crop insurance agent for details.

LOSS EXAMPLE

(Based on Actual Production History (APH) yield of 50 bu/ac, 65% coverage level, 100% additional price, and one basic unit.)

<u>APH Example</u>	<u>Revenue Product Example</u>
50 bushels per acre APH yield	32.5 bushel* (see left)
x .65 coverage level	x \$ 2.25 base price (est.- announced in March)
32.5 bushel guarantee*	\$73.13 guarantee*
- 12 bushels per acre actually produced.	12 bushels per acre actually produced.
20.5 bushels per acre loss	x \$ 1.90 harvest price (est.- announced in Dec.)
x \$2.05 price election	\$22.80 revenue
\$42.03 gross indemnity*	\$50.33 gross indemnity (\$73.13 – 22.80 = \$50.33)*
- \$ 3.00 estimated premium per acre(varies by county)	-\$ 5.00 estimated premium (varies by county)
\$39.03 net indemnity*	\$45.33 net indemnity*

*Figures shown on a per acre basis; yield guarantees and losses are paid on a unit basis. See policy provisions.

ADMINISTRATIVE FEES

These fees are charged in addition to the insurance premium. The insurance premium is subsidized by USDA.
Catastrophic (CAT) Coverage: \$100/crop/county. (No insurance premium is charged for CAT coverage.)
Additional Coverage: \$ 30/crop/county.